

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayner
Ken Nickolai
Marshall Johnson
Phyllis Reha
Thomas Pugh

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Request by Interstate Power
and Light Company for Approval of its
Proposed Capital Structure for Calendar Year
2004, Ending March 31, 2005

ISSUE DATE: March 21, 2005

DOCKET NO. E,G-001/S-04-109

In the Matter of Interstate Power and Light's
Request for Approval of its Capital Structure
Prior to the Issuance of Securities for Calendar-
Year 2005

DOCKET NO. E,G-001/S-05-151

ORDER EXTENDING APPROVAL OF 2004
CAPITAL STRUCTURE

PROCEDURAL HISTORY

On March 31, 2004, the Commission issued an order (the 2004 Order) approving a capital structure for Interstate Power and Light Company (IPL), including permission to obtain financing through capital markets, effective until March 31, 2005.¹

On January 21, 2005, IPL asked the Commission to approve a new capital structure, including a request for permission to pursue additional financial transactions. IPL also asked that the Commission extend the effect of the 2004 Order until a superseding order can be issued.

On February 16, 2005, the Minnesota Department of Commerce (the Department) requested an additional 60 days to prepare comments on IPL's proposed 2005 capital structure.

On March 10, the Commission met to consider this matter. At the hearing, the Department did not object to a Commission proposal to extend the effect of its 2004 Order.

FINDINGS AND CONCLUSIONS

I. BACKGROUND

IPL's filing is made in response to Minnesota Statutes § 216B.49, subdivision 3, which states:

It shall be unlawful for any public utility organized under the laws of this state to offer or sell any security or, if organized under the laws of any other state or

¹ *In the Matter of a Request by Interstate Power and Light Company for Approval of its Proposed Capital Structure for Calendar Year 2004, Ending March 31, 2005, Docket No.*

foreign country, to subject property in this state to an encumbrance for the purposes of securing the payment of any indebtedness unless the security issuance of the public utility shall first be approved by the commission. Approval by the commission shall be by formal written order.

II. PARTY FILINGS

In its filing IPL asked the Commission to, among other things, issue an Order that would approve its proposed capital structure and authorize it to borrow money pursuant to a five-year credit agreement. IPL also asked the Commission to extend its current authorization, granted by the 2004 Order, to participate in capital markets until a superseding order can be issued.

The Department has not commented on IPL's filing directly, but rather has asked for additional time in which to analyze IPL's proposal. The Department proposes to file comments by March 22, 2005.

III. COMMISSION ANALYSIS AND ACTION

The Commission wishes to grant the Department adequate time to analyze IPL's filing and recommend how to proceed with IPL's proposal. But delaying action on IPL's proposal would have the unintended consequence of depriving IPL of access to capital markets after March 31, 2005, when the permission granted by the 2004 Order expires.

To accommodate the needs of both the Department and IPL, the Commission will grant both the Department's request for an extension and IPL's request and extend the effect of the Commission's 2004 Order until a superseding capital structure order is issued.

ORDER

1. The Department's request for additional time to file comments in this docket is granted.
2. IPL's request to extend the effect of the Commission's 2004 Order until a superseding capital structure order can be issued is granted.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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